WV Health Innovation Collaborative
October 24, 2014
Meeting Notes

Present: Jeremiah Samples, Jeff Wiseman, Jean Kranz, Richard Crespo, Vicki Hatfield, Gina Justice, Carol Haugen, Perry Bryant, Renate Pore, Larry Malone, Dana Singer, Brent Tomblin, John Earles, Bob Whitler, Barbara Wessels, Brenda Nichols Harper, Richard Wittberg, Phil Shimer, Verena Mullins, Mark Muchow, Cindy Beane, Jerry Roueche, Christine DeRienzo, Ted Cheatham, John Wiesendanger, Ashley Hicks, Ellen Potter, Eugenie Taylor, David Campbell, Toby Wagoner, Debbie Waller

By Phone: Arnie Hassen, Wayne Miller, Chris Budig, Mary Ferrell, Amanda McCarty, Mary Jane Pickens, Phil Weikle, Kathleen Stohl, Stacey Shamblin

Jeremiah welcomed everyone in attendance and introductions were made.

Larry Malone informed the audience that on Monday, October 27, 2014 he will be the new Director of Public Policy for Governor Tomblin.

WVHIC Activities

- Better Health Work Group Meeting – November 18, 2014, 10:00 a.m.
- Better Care Work Group Meeting – November 18, 2014 – 2:00 p.m.
- Initiative Inventory – Continue to fill out inventory of program around the state. This helps to identify gaps.
- WV Health Innovation Collaborative Website should be up and running by the end of this month

Presentations:

Medicaid Financial Overview

Jeremiah introduced Tony Atkins, Deputy Commissioner for the Bureau for Medical Services.

- A powerpoint presentation was sent out to everyone prior to the start of the meeting.
- Mr. Atkins shared with the group:
    - ☞National average of State Medicaid expenditures and the percentage of state spend in 2012
    - ☞Medicaid vs. state expenditures from 2011 to 2013
    - ☞Plan service costs from 2010 to 2014
    - ☞Average plan enrollment for fiscal year. Jump in 2014 due to Medicaid expansion
    - ☞Average cost per enrollee
    - ☞Plan Services Costs for FY 2014 broken down by Hospitals, Long Term Care, Dr./Lab/Clinic/Other, HCMS, Drugs, and Managed Care

☞Hospital Costs for FY 2014 broken down by Critical Access, General/Acute, and Psychiatric
☞Long Term Care ($627 million) - Nursing Homes and Long-Term Care Intermediate Care Facilities – Use a cost-base reimbursement for nursing homes; that's the way it is set up in the state plan. It is being evaluated if cost base reimbursement is the best way. On Long Term Care intermediate care facilities, a question was raised whether it should be community-based instead of intermediate care. This is also being evaluated.
☞Dr./Lab/Clinic/Other Costs for FY 2014 ($550 million) – Physicians & Dentists, HH/Hospice, Clinics/Schools, Rehab/Lab/Radiology and Other. Question was asked as to what falls under clinics/schools. Response was FQHC, RFC, and school-based services. Question was raised regarding what falls under transportation. Response was mostly NEMP.
☞Waivers are vehicles states can use to test new or existing ways to deliver and pay for care
☞Home and Community-Based Services Costs for FY 2014 (531 million) -Traumatic Brain Injury, Intellectual Developmental Disabilities, Aged & Disabled and Personal Care. Intellectual Developmental Disabilities and Aged and Disabled do not encompass medical costs
☞Managed Care ($566 million) – Coventry, Heath Plan, Unicare, WV Family Health
☞Drugs ($76 million) – Concern because of all the new drugs coming down the line
☞Premium Subsidies ($157 million) – 80,000 enrollees – Medicare Part A, B, D – over 65 and disabled – this is the bulk of the money; Coinsurance & Deductibles and Commercial Insurance
☞Total Plan Participants from 2010 to 2014 – Rose from 405 in 2010 to 552 in 2014
☞Total Plan Participants in 2010 and 2014 showing percentages in MCO, Waivers, and Traditional (or fee for service)
☞Total Plan Participants in 2010 and 2014 showing percentage in Aged, Disabled, Adults and Children, showing the biggest increase in 2014 in adults due to the expansion
☞Funding sources in 2010 and 2014
☞Plan Service Costs paid by federal money and Plan Service costs paid by state dollars

Mr. Atkins requested that if anyone had questions for him, to either write them down or email them to him and he would respond because of a full agenda for today's meeting.

Jeremiah thanked Mr. Atkins for sharing this information to the group and that Mr. Atkins is a great asset to the Bureau.

<u>WV Budget Issues and Forecast</u>

Jeremiah introduced Mark Muchow to present to the group. A powerpoint presentation was sent out to everyone prior to the start of the meeting.

- Mr. Muchow shared with the group:
  ☞Economic Diversification – Why is Mining Sector Important to WV?

➔Major Growth in WV Population – 1900 - 1950 (109%)
➔Fastest Growth Counties from 1900-2010 is Raleigh, Berkeley and Logan
➔Stranded Labor Problem – 51% of population live in rural areas

☞WV Mining Employment Date in 2013 – gradual turnaround with revenue growth
➔Major Economic Transformation from shift from coal to natural gas and geographic shift to northern WV
➔Sluggish National Economic Recovery: 2009 to present

☞Fiscal Trends from 2012-2015
☞Sources of Revenue: Revenue elasticity in decline
☞Personal Income Tax Slump – partially due to temporary factors
➔From 1997-2012 – average growth 5.5%/year
➔From 2012-2014 - -0.4%/year
➔Reasons for Stagnation:
Temporary Alternative Fuel Vehicle Credit
Lack of employment of wage growth in CY 2012-2013
Federal Fiscal Cliff Uncertainty at end of CY2012
➔Gradual turnaround due to improved employment outlook and some stability from Washington

☞Distribution of Non-Farm Earnings: 2013 – Mining, health care, and government play bigger role in WV
☞Wage growth very sluggish over past two years – tied to mining industry
☞Consumer Sales Tax Slump – partially due to temporary factors
➔From 1997-2012 – average growth 2.9%/year
➔2012-2014 - -2.2%/hear
➔Reasons for Stagnation:
Lack of wage growth in CY 2012-2013
End of temporary federal payroll tax holiday
Phase-out of remaining food tax
Growth in remote commerce competition
➔Gradual turnaround due to improved employment outlook, some stability from Washington, and no more phase-in tax reductions

☞Per Capita Personal Consumption Expenditures 2012 – average citizen's consumption of health care is 8% higher in WV
☞Severance Tax Slowdown
➔Due to lower coal production and lower coal prices
➔Loss of major industrial consumers & power plants; greater foreign competition/sluggish world growth
➔Significant offset by natural shale gas growth
➔Some improvement due to improved energy price stability and improved natural gas infrastructure

☞Distribution of WV Coal – sales to 23 states – Domestic distribution down 23% in 2012 and 9% in 2013
☞WV Good Exports: Coal Exports Fall – down 50% in two years
☞Export Coal Prices Trend Lower – 2013 met coal down 24% from prior year
☞Consensus Forecast: WV Coal Production – some deterioration over time – should level out in the next 3-5 years
☞Natural Gas Production by State (Ohio, Pennsylvania, WV) 2006-2013 – US production up 5.3% in 2012 and 1.2% in 2013; WV production up 37% in 2012 and 37.4% in 2013

☞Tobacco Tax Revenues Decline:
➔Demographic changes and smoking bans
➔Competition from alternative products
➔Sluggish economy with household income stress
☞Other Significant Tax Revenue Sources
➔Business and Occupation Tax
➔Insurance Premium Tax
☞General Revenue Fund 2004-2014
➔2.8% Annual Growth Rate (0.5% average over last six years)
☞General Revenue Fund: Sources of Revenue
➔More reliance on severance tax and income tax revenues
☞WV state government ranks among top states in Education, Higher Education, and Medicaid funding
☞Medicaid Expenditures by Enrollment Group 2010
➔Aged and disabled account for three-fourths of spending in WV
☞Fiscal Year 2015-16 Outlook – Revenue growth accelerates-budget gap begins to narrow.
Revenues – Positive Factors:
➔Natural Gas Severance Tax
➔Property Tax
➔Personal Income Tax
➔Interest Income
➔Sales & Use Tax
Revenues – Less Positive Factors
➔Coal Severance Tax
➔B&O Tax
➔Lottery Funds
Expenditures – Lower Fiscal Pressure in FY 2016
➔Pension Fund Contributions
➔School Aid formula
➔Workers' Comp Debt (2017)
Higher Fiscal Pressure in FY 2016
➔Medicaid
➔Social Services
➔Corrections
Budget Gap to be Closed
➔Targeted Budget Adjustments
➔Rainy Day Funds
➔Hiring Freeze

If any questions, you can contact Mr. Muchow at Mark.B.Muchow@wv.gov. Mr. Muchow was thanked for his continued service and knowledge to state government.

Mr. Samples introduced Dr. Richard Crespo from Marshall University. Dr. Crespo has been very instrumental in the SEDI Project. He introduced Vicki Hatfield and Gina Justice from the Mingo Diabetes Coalition.

- A powerpoint presentation was sent out to everyone prior to the start of the meeting.
- The SEDI Project is a research project being conducted by the Mingo County Diabetes Coalition in conjunction with Duke University and CMS. The project

started in June 2012 and will continue through June 2015. The projects involved 4 counties in the US with high rates of diabetes which includes Mingo County.

- The objective of the project is to improve health outcomes for high risk patients with diabetes and reduce Medicare and Medicaid cost.
- A clinical team is put together and an intake is performed by mid-level provider and treatment plan/goals are developed.
- The Client is assigned to a community health worker for weekly visits, which could be in the patient's home on in the office. It is the patient's preference.
- There are weekly care conferences held by clinical team to discuss client progress.
- Any problems/medication adjustments are communicated by either the clinical coordinator or the mid-level practitioner to the primary care physician for input
- Doctors are noticing the progress the patients are making.
- A community health worker does blood glucose review, meal planning assessment, medication assessment, coordination of medical appointments, diabetic foot exams, connecting patient with community resources, encourages physical activity and much more. This prevents unnecessary ER visits.
- Mingo County stats are very good with this project. It has been very successful.
- The average pre-intervention A1C for the Mingo County population set is 10.01. 73 patients have been in the program long enough for a 2nd A1C to be obtained. There has been a 2.48% reduction from the initial A1C to the second one.
- Progress made to date:
    - ☞5 patients have been identified as having retinopathy as a result of scheduling eye exams and have had surgical intervention
    - ☞Referrals are made frequently to nephrologist and podiatrist as a result of physical exams and lab review
    - ☞Over $50,000 in free medications have been obtained with patient assistance programs
    - ☞Mid-level providers have made home visits for issues identified by the community service worker.
- Question was asked regarding the budget and sustainability of the project. The total annual budget is 2.2 million. There are 13 people on the payroll.
- What would a CHW Program look like without grant money?
- Link with the FQHC's. Be under the same roof.

Mr. Samples shared with Ms. Hatfield that the Governor's Office is really interested in this project and someone from their office will be contacting them to get a meeting set up.

Mr. Samples thanked Dr. Crespo, Ms. Hatfield, and Ms. Justice for a great presentation and for all the hard work they are doing in Mingo County.

Next Meeting of the Lower Cost Work Group
November 19, 2014
1:00 – 3:00 p.m.
One Davis Square, Suite 100 East, Conference Room 134